President: Fellow-Members of the Travancore Legislature, Under the provisions of Rule 68 of the Travancore Legislative Rules it is now my privilege, as it is my duty, to make a statement on the Budget that has been laid before the assembled session of the two Houses of the Travancore Legislature. But, before I proceed with my main task, it is, I think, incumbent on me to discharge a most pleasing duty, that of welcoming on your behalf, as certainly on my own, to the sitting of this joint session the Political Adviser of His Excellency the Crown Representative as well as the Resident for the Madras States, who are both here to witness the results of the financial policy and the financia working of the State. In according that warm welcome I do not think I shall be misunderstood if I quote the words which were incorporated in that memorable report of Mr. Montague and Lord Chelmsford, words which related to Indian administration as a whole. In a great passage, memorable alike for its literary quality and its political sagacity, the illustrious authors observe, quoting a Persian proverb—"Dilhi dur ast" (Delhi is very far away). What was meant by that phrase was that the problems in various parts of India, although they may be imminent and urgent, are not always perceived in Delhi in proper perspective for the simple reason of geographical distance and lack of physical and psychological proximity. It is therefore all to the good that representatives who are helping to guide the destinies of this vast sub-continent are from time to time kept in touch with the needs, the aspirations and the requirements of this the most distant part of the country.

I am making these observations also with another object and from another point of view. What has been the result disclosed by the estimates and the Budget presented to this joint session? We hope to budget for a revenue of Rs. 280 lakhs which, taken with the anticipated earnings from the tea duty and the reserve of seven lakhs, will be a very considerable sum indeed. The surplus, as has been pointed out by the Financial Secretary in a speech whose clarity and comprehensiveness I must pay a tribute to, is substantial. But it will not merely do to think of that. With reference to what I said about Delhi, "Dilhi dur ast," may I take a liberty and embark on the task of comparing these figures with some other figures. In Baroda the income is Rs. 255·13 lakhs and the expenditure Rs. 249·65 lakhs, and the population is three millions. Our population according to the most recent census is 6,070,790, and the literates amongst them are 2,894,000, the percentage of literacy amongst the males being 59% and amongst the females being 37%. We are thus in the proud and pre-eminent position of being more literary—and all that

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it means—than any other State or any other Province or any other part of India. In Gwalior the income is Rs. 247 lakhs and the expenditure Rs. 239 lakhs, while the population is four millions. In Kashmir the income is Rs. 255 lakhs and the expenditure is about that figure; and the population is about four millions. In Mysore, a country which is four times the size of Travancore, the population is 7·18 millions and the revenue is about 4½ crores of rupees. It is in the hope and expectation that these figures and their implications will also be remembered elsewhere that I make these figures available to the honourable members of the Legislature. To summarise, it may be said without fear of contradiction that, from the point of view of population, from the point of revenue, we yield to no State in India excepting Hyderabad and Mysore, and from the point of view of progressive administration or of literacy which is one of the by-products, as generally understood, of progressive administration we yield to no State and no Province. I leave the matter at that and will not draw any further inference or make any appeals.

The Budget Session is a period of stock-taking and of taking counsel and decisions as to the future. I am shortly about to finish five years of my tenure of office as Dewan under His Highness. The five years will exactly terminate in October next. It may be as well, therefore, to consider the position as it has evolved from year to year. In the year 1113, the revenue was Rs. 249 lakhs and the expenditure Rs. 251 lakhs. In the next year, the revenue was Rs. 253 lakhs and the expenditure Rs. 255 lakhs. In the next year, the revenue was Rs. 267 lakhs and the expenditure Rs. 268 lakhs. So, during these years we had progressed steadily, continuously, unremittingly, from strength to strength in the matter of finance as well as in the matter of expenditure on ameliorative services. At the same time we have, we trust, not been unmindful of the needs and the tribulations of the farmer and the peasant. The land revenue remissions were as follows:—

Year.	*Amount.*
	Rs.
1111 ...	3,50,000
1112 ...	50 000
1113 ...	1,30,000
1114 ...	4,82,000
1115 ...	about 2 lakhs.

These are the remissions that we have made to relieve the distress of the agriculturists.

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As has been pointed out, the revised estimate for 1116 is 273 lakhs as against the budget estimate of Rs. 285 lakhs. Having noted this, we must see to it that we plan wisely and with forethought for the future.

The first point that emerges for consideration is the international situation in so far as it makes direct demands upon us and in so far also as that international situation has serious impacts upon us. This is not the occasion, nor shall I be discharging my duty correctly, if I dilate at length upon the meaning and significance of the struggle that is now waged practically all over the world. But let me say that His Highness, true to the traditions of his illustrious House which during a century and a half has stood by the side of Great Britain as a staunch ally and a faithful friend, has indubitably and unequivocally demonstrated in practice and expressed in words his views on the present position and his ideas as to the discharge of a duty which he, as an illustrious member of the Princely Order, feels himself bound to fulfil. The struggle that is now taking place is not merely a struggle of armaments ; it is not merely a matching of hostile forces. The struggle is between two ideals, two systems of thought, one standing for the policy of tolerance and freedom, of live and let live, the other standing for the negation of these attributes. I have been in my political days a fairly strong critic of certain policies of the British Government in India. But the most fierce critic, the most implacable opponent of such policies, cannot but admit, if only he were to pause and reflect for a moment, that in no other part of this wide world are the limits of criticism, the limits of free discussion, the limit of freedom to express oneself in life and deed and spoken word as wide and extensive as they are under the aegis of His Majesty's Empire. Realising that, the people of India have as one man felt with Great Britain in this great struggle. I say so with deliberation because with the exception of some political idealogists, all in India deem it necessary to give support to the cause, and even in the case of such exceptions it is what may be called a personal or political complex or inhibition that stands in the way. It would be correct to say that nobody in India fails to realise the meaning and significance of what is taking place around us and also to come to a conclusion as to which side he or she should be. With that consciousness, the first point to be borne in mind is what provision should be made in the Budget in order to range ourselves practically and effectively on the side of those who are now fighting the great fight. It has already been brought to the notice of the honourable members assembled here that His Highness' great gift of six and a half lakhs for the purpose of a

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mine-sweeper and trawler has recently fructified and H. M. I. S. "*Travancore*" has been launched. If I may say so, it was a wise decision that was taken by His Highness—and I say so without presumptuousness—a wise decision for the reason that in India to-day there is no indigenous navy capable of protecting and defending the vast coast line of India. We, as a maritime State stand in special need of, as we are grateful for, the protecting might and prowess of Great Britain; but self-help is also essential. From that point of view, His Highness decided that this war gift should take the shape of a mine-sweeper and trawler which should protect all the coasts and especially the west coast of India. It is a gratifying feature that the example of His Highness has been followed by others. We shall probably have soon a fairly adequate navy though not the strong navy which we would have had if the present ideas had emerged 10 or 15 or 30 years ago.

We have also contributed towards the fleet of fighter planes. Under the command of His Highness, I am able to announce to-day that it is proposed to allot from the surplus of the current year's budget a sum of 3 lakhs towards war effort. I am sure this will be welcomed by every one assembled in this house. The war has meant a great deal to the world at large. But I can assert with some confidence that excepting the centres of war like England or the Near East, there is perhaps no part of the farflung British Empire where the impacts or the disastrous consequences of the war are more evident than in the State of Travancore. This is not often remembered but it is worth recollecting and keeping in mind. Let me elucidate the position. Unlike many Provinces and many Indian States, we do not depend for our income upon land revenue or upon any similar items concentrated in land revenue. We depend, and have depended for many decades, upon our customs and our excise. We restricted, in a period of commercial peace, in a period of world tranquillity, the area of food production and increased the area under commercial crops, with the result that vast tracts in this country are thrown open for the cultivation of tea, rubber, cardamom, pepper and ginger. Competition from elsewhere was a great and disturbing factor even before this war. It is not now my function nor is it my intention to make more than a passing reference, to Ceylon's programme of shutting out imports into Ceylon by very heavy and discriminatory duties levied against us and at the same time, of dumping their cocoanut products upon us, so that Travancore could not sell her cocoanut products in India at an economic price. That is bad enough. To-day our exports are dwindling. Our exports of cocoanut products and coir products

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were mainly to France, Italy, Germany, the United Kingdom and the United States. Now we cannot send these products to many of those places and but for the great sympathy of that discerning statesman who guides the destinies of this country, Lord Linlithgow, and the discriminating and friendly activities of the Supply Department, we should have been nowhere. Two hundred thousand people were threatened with unemployment and starvation and but for the directions issued by His Excellency Lord Linlithgow and the orders placed by the Supply Department we should have been in a very bad way.

That is not all. Thanks to the policy to which I have already made reference, we, who have been restricting our food production, began to rely for our food supplies upon Burma and Siam. There is now much restriction in the matter of getting rice from those countries, and profiteering is taking place. At one time during the current year it was found necessary for the Government to buy rice and stock the same so that our stocks may hang as a Damocles' sword over the heads of those who were profiteering in rice. We are doing the same thing this year. We have made large purchases of rice and stocked it. If it is found that the tendency of the merchants to increase their hoards and decrease their sales persists, all the powers vested in Government under the Defence of Travancore Rules will be used. I may assure all concerned that we have ample powers. Not only that. We have entered into contracts for purchasing large stocks of rice so as to store it and sell it if the merchants follow a short-sighted policy.

Again in regard to yarn, persons have been following a policy of battledore and shuttlecock in exporting yarn from here. Much of the yarn that is brought over here is being exported so that the weavers in this State have not got enough yarn. Government will arm themselves with sufficient power to prevent a similar profiteering by middlemen as in the case of rice. I am mentioning this for the purpose of showing that Travancore is in a perilous position so far as her main items of activity are concerned. Export and import on which Travancore mainly relies for sustenance—not for profit so much as for sustenance—these are greatly threatened. It would perhaps be selfish and short-sighted to lay too much emphasis on these items at a time when the world is passing through a period of crisis and tribulation. But it is part of human nature to be a little more cognisant of our own tribulations and sufferings than those of our neighbours. I believe I shall be pardoned if I bring this to the notice of the honourable members of this house and of those whom we have the honour to welcome to-day. The present crisis makes it necessary for us also to plan

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for the creation of our own mercantile shipping so that we may no longer be at the mercy of private competition and profiteering.

In addition to the two units of the State Forces which have been sent for service outside the State, facilities were afforded for raising a General Purposes Transport Company. We have also agreed to the training of mechanics and technicians for the Indian Army in our Engineering College. There has been complete co-ordination of effort headed by His Highness and loyally helped by his subjects.

At this juncture I may utter a word of complaint. When I was last in Delhi, I found that there was great demand for various things which Travancore could produce abundantly and cheaply. But Government, as a marketing organisation, as a salesmanship organisation or as a bargainer, is necessarily ineffective and dilatory. Therefore it was that, on my return from Delhi, I made some suggestions and requests to the industrialists and capitalists in this land. We are not a land of great capitalists. We are not a land of many wealthy men. We are a land of the middle-class and the lower middle-class. But nevertheless, the best, the most important amongst the capitalists were besought and entreated to organise themselves into a War Supplies Syndicate keeping an eye on the demands that emanate from Delhi and so co-ordinate and correlate the resources of this country that they might supply the empire needs as well as make a legitimate profit for themselves. A certain amount of work has been done by the War Supplies Committee. But they have not established a liaison officer at Delhi in order to apprise them of the needs of the situation. They have not worked with that vim and with that impetus which a co-ordinated body of businessmen and capitalists of the State may be expected to evince at this critical juncture of the world's history and the State's history. I am not saying this in a spirit of reproach because those business habits and technique are the prerogative of a few privileged individuals and not of everyone. Further, there are not many amongst the people here who possess or deal in large sums of money or who are aware of the methods of big business. But at the same time I do hope and pray that this opportunity may be taken by the people here who may organise themselves for an effort which would be useful to the Empire and finally useful to the people themselves.

There are a few more items I may mention. To-day there is an advertisement from Delhi for arrowroot which is wanted for various purposes. Any amount of it could be had. We can produce the arrowroot and we do produce it. But no tender has gone from

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here. To-day mango is needed for jam. You know that South Travancore produces a lot of mangoes. I made enquiries about that. What is the result of this? We have no statistics of the number of mango trees; no statistics of the production of the trees. We cannot gather that information. Without that, how are we to supply the data on that subject? That is a reproach which ought to be wiped away from Travancore. Moreover, to-day, there is an advertisement in regard to cocoanut shell charcoal which America now wants. We supplied England with this commodity. Thanks to the research of our University, thanks to the collaboration of the industrialists here, we were able to supply cocoanut shell charcoal which was used for gas masks in England in very large quantities. But Government cannot and should not continue to do this indefinitely and stand in the way of private enterprise. The Government of India would not naturally embark initially on that business unless they had the guarantee of the Travancore Government and therefore the Travancore Government acted as a surety for the collection, manufacture and supply of the commodity. One year has elapsed. But now Government have come to the conclusion that this work must be left to private enterprise. Those who have had this practice and acquired experience in this line within the past one year can come together for this purpose.

There is one other matter which it is my duty to mention. Quite recently an embargo was laid upon the import of cashewnut from East Africa. Cashewnut, it so chances, is very much prized in America. On account of this embargo on cashewnut import, it looked very much that three weeks ago about a hundred thousand would be thrown out of employment and this matter was brought to the notice of the Government. My friend Sir Ramaswami Mudaliar, Commerce Member, was approached in this matter and thanks to the sympathy and the kindness of the Government of India and the Political Department and the Commerce Member, I am glad to announce that the embargo is reported to have been lifted so that the cashewnut industry has got over one of its major crises.

I have made a rough calculation of what may be called our war supplies in the year 1940. Burnt cocoanut shell we supplied about 16 thousand tons valued at over Rs. 13 lakhs. We have supplied coir goods for about Rs. 21 lakhs and have undertaken supply of camouflage nets, timber and wood works of considerable value. In regard to foodstuffs though not as much as I should like, something has been done. In regard to cotton baniyans, mosquito nets, rubber goods of various description, orders are pending execution. As for the supply of ceramic goods of various description, very large orders are pending from the Government of India; and the

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great industrial centres in this State and industrial concerns like the Harrisons & Crosfield and the Pierce Leslie have borne their part in abundance. I am glad to be able to announce to this House that for fabricated steel works mainly for huttings, moulds and other similar articles, construction of building works for the Defence Department, nearly Rs. 23·5 lakhs are being spent. I may also inform the House that works of this description have been attempted by the engineering works, both under Government auspices and under private auspices. We have a representative of Travancore in the Provincial War Advisory Committee and I know it is doing very valuable work. The Government P. W. D. Workshops are taking a prominent part in supplying wood works of a complicated character while helping the ordinary suppliers by making samples of required articles. Altogether it may be said that although there has not been the desired extent of co-ordinated activity in this direction, we have done our bit in the matter of war supplies. We offer to do more. The Transport Department offered to build and supply bodies for lorries for use in the war. It was found that the transport freight was too costly and our offer was not accepted. But I trust that the matter will be reconsidered. Now these are what may be called our war efforts.

But it is not only the great catastrophe of war but other and minor catastrophies are confronting us. Quite recently, there was a cyclone from which the northern-most parts of Travancore have suffered very seriously. I am told that in some parts of the country most of the fruit bearing cocoanut, mango and other trees have been blown down by the cyclone. I am informed also that many dwelling houses have been destroyed and an exact account of the damage has not yet been forthcoming. But the damage is reported to be serious and distressing. In the interim period between the ready help which was given by the Government of India and the slump so far as coir and cocoanut products were concerned, there was tremendous distress caused throughout the country. In the matter of coir workers, the problem is still confronting Government and has not been fully solved. The general economic depression has also affected this State. It is because of these considerations, namely, the possibilities of emergencies of a vast character in all spheres, the problem of cyclone relief, the problem of the coir workers and other cottage industries, the problem of the general economic slump that Government came to the conclusion that they must have at least Rs. 10 lakhs in their hands as a kind of reserve to be dealt with as the emergency dictated. The Government of Travancore are awaiting reports by local officers and it is my intention to visit the locality personally.

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We have certain consolatory circumstances during the whole of this year. Fortunately we have been free from what may be called intense embarrassing political agitation. It threatened at one time to dislocate the ordinary machinery of the State and was the cause of much anxiety to His Highness' Government. But we have been through that period and have emerged successfully. There is not much chance of a recrudescence although even yesterday I noticed a speech in which it is stated that a certain political association has been nurtured on the blood of the poor people of Travancore. One T. K. Varghese Vaidyan made this speech three days ago. Notwithstanding this invocation of blood and such constant repetition of the outworn slogans advocated by hysteric and moribund political parties we came to the conclusion that we can proceed during the coming years on the basis that we shall have a period of political tranquillity. I may now and here pay a tribute to the political sagacity of the people of Travancore and their representatives and to their appreciation of the relative values. They have stood for the things that mattered and have not allowed their energies to be frittered away in vain pursuits. We have been also singularly free, and we know and confidently trust that we shall be free, from these communal conflicts which have disfigured many parts of India and created problems that were baffling to administrators elsewhere. The relations of various communities here—Hindu, Christian or Moslem—are all of the friendliest description, so friendly that up to this moment the word 'Pakistan' has never been spoken here on this side of the Ghats. We may for the next year proceed on the basis that there are likely to be no communal troubles and that there is no political activity of a subversive character to be faced. The only two problems that confront us are, the war situation and the economic problem. Now, I do not mean for a moment that there are no legitimate aspirations of the people that have to be dealt with and have to be faced with sympathy and with that solicitude which His Highness has always displayed. Already very good effects are apparent from that policy of associating in various Committees representatives of the Legislature and of the country at large in the day to day administration of some important departments. In certain departments as for example the P. W. D., and the Public Service, the work of these Committees has been praiseworthy and of the greatest possible assistance. There are many ways in which all this kind of collaboration and co-ordination may be enhanced, supplemented and augmented. So far as Indian States are concerned, I have held and do hold the view that it is not possible to introduce in Indian States responsible Government in the sense that the Executive is removable by the vote and at the will of the Legislature. I have

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made my position perfectly clear and I adhere to that position still. Responsible Government in the sense that the Executive is removable by the Legislature is in essence incompatible with the relations which subsist between the Paramount Power and the States and the policies and actions that result from such relations. But nevertheless there are several ways in which the force of public opinion could be brought into operation upon Governments; and the Travancore Government under the stimulus and inspiration of a very great Ruler whose love for his people and whose sagacity and statesmanship are universally acknowledged will never be behindhand in associating the people of the State in all legitimate activities in the matter of advice and effective co-operation in the daily task of administration. And the Government are engaged in thinking over and discussing plans for that purpose.

With these ideas in our minds and in the face of such a situation, we have to procure enough money for our progressive services, nation-building services and to keep a reserve of at least Rs. 10 lakhs for emergencies. We have come to the conclusion that there should be no taxation which will impinge upon or affect prejudicially the labouring classes and the lower middle class. There is no increase in income tax or in super-tax contemplated; and it is my hope that none need be imposed for the next two or three years. It must also be remembered in passing that our rate of income-tax is lower than the British Indian rates. They are now three-fifths of the British Indian rate. But there is no proposal to enhance it. There is no intention of cutting down salaries and I do not think that the salaries here are excessive. I personally do not believe in the theory of the maximum salary of Rs. 500 and the minimum of Rs. 100. Generally speaking our salaries are not too high for the service that is demanded and that is being faithfully and generally efficiently rendered. It must be remembered that these salaries will have to be earned by hard work, honest work and in order to ensure that honest and hard work, Government, during last year, have made very stringent rules and regulations so as to make it clear to every officer that no increment is his due as a matter of right, that every year his work will be appraised, judged and re-examined before any increment is sanctioned and that no one who has merely marked time would obtain preferment. But in making this very stringent demand upon the public service, it is up to the Government not to create discontent among them and it would be well not to start discussion about the cutting down of salaries or pensions and not to make their future a dark and dismal one. Our idea, therefore, is that more or less on the present scale of salaries we should get our work done in the best possible manner.

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In order to procure the necessary revenue and to make for the anticipated shortfalls we have to turn our attention to cardamom rubber and tea.

At the risk of tiring this house I must point out the exact position in regard to cardamom. Cardamom plantations in the State were opened up by outsiders, *i. e.*, non-Travancoreans. I, for one, do not agree with those who take the view that they should be victimised or that it ought to be made specially difficult for them to continue their work here. Government announced some time ago the policy that no cardamom lands would be given to other than Travancoreans. But the moment Travancoreans got the lands many of them immediately transferred them to non-Travancoreans. This is to frustrate the policy of Government. Exactly the same thing has happened in regard to many industrial concerns. Very recently we made a rule that certain shares in a salt concern should be given over to Travancoreans. The shares were taken over by Travancoreans, but within a few weeks of their getting the shares they were immediately transferred to non-Travancoreans. The result is that many paying industries which Government wanted to be retained in the hands of Travancoreans are now in the hands of non-Travancoreans. Such Travancore citizens are doing grave disservice to their country. The decision of Government has been therefore not to deal too stringently with the cardamom planters. But we found that these planters transferred their particular quantity of cardamom over the Ghats to Cumbom or Bodinaickanur and the middle-men from Bombay or North India came there and purchased the cardamom. They paid income-tax, sales tax, and excess profits tax, to British India. We never got anything by way of income-tax or any other form of tax from the cardamom producers in the State and that tax was paid just over the border. Therefore I made a proposition definitely to the cardamom planters that if and when they establish a marketing organisation in the State, the Government would help them by paying a portion of their expenses of starting that marketing organisation, but that if they would continue their policy of selling all the cardamom outside the State an export duty on cardamom would be levied and it has now been levied. My original offer still stands and I repeat that offer again publicly now.

In the case of tea and rubber the position stands thus:—"..... The Central Travancore Rubber Company has declared an interim dividend of 24 per cent. for the year on the 10 per cent. preference stock." As regards Travancore tea, "One has to go back" - I am reading from Financial Journals in England and Scotland —"to 1928 to find a gross profit better than that of £35,789 now announced." Travancore tea earnings have shown a good deal of fluctuations over the past few years, and in the last three years the average margin over the 10 per cent.

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annual dividend has been small. But the management is first class and the policy pursued by the introduction of compost manures in recent years has brought marked recovery in yields per acre. As the present report shows the yield per acre in 1939-40 was as much as 523 lbs. Further it may be observed that in Ceylon, duty on tea exports has given Rs. 33 lakhs and on rubber 65 lakhs. Further, an excess profits duty has also been levied. No excess profits duty is levied in this State and it is not intended to levy such duty. We are now raising tea duty only to the extent of the narrow limit proposed by the Financial Secretary. These duties are imposed on people who can bear the burden, on people who have, to a certain extent, benefited by the war measures and the war supply.

I am glad to announce that for the first time during many decades we have made some money out of our railway. We have got Rs. 1¼ lakhs last year and we have budgetted for an income of Rs. 1½ lakhs for the coming year. This railway line has unfortunately been so planned as in effect to produce the maximum possible loss and the minimum profit. Instead of the natural route from Tinnevelly to Trivandrum *Via* Nagercoil a route was chosen through Virudhunagar to Shencottah and Shencottah to Trivandrum which could not be expected to produce any profit. Thus we have a railway line which during the last twenty or twenty-five years has been making us pay year after year a fairly steady amount by way of our share of the loss to the South Indian Railway Company. But on account of the war demands and kindred circumstances the railway has begun to pay and that is a welcome feature which the honourable members of this House would indeed like to know.

On the whole it may be said that today our finances are more elastic than those of most of the units in British India for the reason that we rely less upon agriculture pure and simple.

With regard to the Pallivasal Hydro-Electric Scheme—in regard to which I must pay a tribute to the Electrical Engineer who has done so such to make the scheme a success—there are two directions in which the work has proceeded and to which I must advert. A very important syndicate, the Aluminium Production Company has chosen Travancore as a venue of its operation and is to commence smelting operation in Aluminium on a very large scale from the end of this year or from the beginning of next year. Besides aluminium smelting many subsidiary industries will follow in the wake of the factory. The requirements of that concern are in the neighbourhood of 13,500 K. W. while our producing capacity is only 9,000 K. W. We have therefore to make arrangements for enlarging our production. In addition to that I am glad to be able to say that the prospects of our supplying Hydro-Electric energy to the neighbouring State of Cochin are

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fairly bright. Negotiations are proceeding and they are not finally concluded. There are small obstacles, but nevertheless I am sure that the Harbour, the great Soap Works, and Ernakulam and Trichur will soon be supplied with energy from Pallivasal. Honourable members who have seen the prospects in regard to irrigation in various areas will have realised what the possibilities of the Hydro Electric Scheme are in regard to irrigation. In fact one can see that what was started timorously and amidst opposition in the State of Mysore has now proved to be one of the greatest revenue producing industries in that State and I have no doubt that the same will happen here also. And now there is a proposal, as you must have known, to cultivate 25,000 acres of land by means of energy supplied from Pallivasal which will produce an additional quantity of 25 lakhs of paras of paddy. In this connection I must advert to a leading article in a paper called "Pouraprabha" dated the 11th June 1941. It says: "The schemes of the Director of Agriculture to augment the production of paddy are such that they will not produce any result in the near future." It is not possible to change what may be the deficit production of paddy into a surplus production, with the best will of the Pouraprabha Editor, in an year or two. But, along with the editor of the Pouraprabha, we are also alive to the need for putting forth our best efforts to increase the output of paddy.

With regard to Transport, the position was explained at length in the Financial Secretary's speech. But there are a few figures which might be borne in mind The receipts for the years 1113 to 1115 and ten months of 1116 amount to 39 lakhs of rupees and the expenditure for the same period comes to 32 lakhs. The Financial Secretary spoke that the profits have not been adequate and sufficient. But it must be remembered that the depreciation funds in regard to the lorries and breakages come to the extent of Rs. 5,27,238. Therefore the net profit is calculated after making allowance for depreciation fund. The balance available in other funds are credited to Government as interest on capital; refund of capital and profit etc., comes to Rs. 2,66,635. And, as has been pointed out, Mr. Salter's enterprise and the combined resources of the Public Works Department and the University will help very soon to bring into existence a state of things which will enable the transport to run on charcoal gas instead of on petrol. Honourable members no doubt have seen already indications of the possibility of the rationing of petrol elsewhere. Before that comes to happen we hope to be able to say that we don't want rationing because we don't want as much petrol as even you might be willing to supply.

With regard to the Ceramics, I am in a position to state that every ounce of clay that we can produce—we can produce large quantities—has been bespoken. We have in hand now orders for

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[President.]

very large amounts. Here I don't want to give exact details as there are one or two competitors in the field now. But I hope that we shall be absolutely beyond competition in India or Asia within a very short time. We have already received orders from the Government of India for various articles which will keep the factory going for the next year or two without attending to any other demand whatsoever from outside. The result will be that we shall not be able to supply articles for the ordinary markets as we must fulfil our contract with the Government of India in regard to the supply of cups, saucers, insulators, etc., for war purposes. We propose to concentrate on that. Already we have sold China clay—first quality 300 tons, special quality 500 tons and third quality 900 tons so that it might be said from the business point of view that the industry is on an absolutely secure basis. That does not mean that improvements are not possible. Improvements are possible and are called for, and they will be taken on hand both in the matter of personnel and in the matter of actual working.

With regard to the Rubber Factory, it must be stated that till last year the Factory run under Government management was an acknowledged failure as a business concern. It produced things which nobody purchased. Whilst we demonstrated the possibility of efficient rubber production we also incidentally and unhappily demonstrated the futility of Government salesmanship in a competitive market. But I am now very glad to say that there are sales of over Rs. 4,000 a day and the net profit expected during the first year of working is one and one-fourth lakhs.

The Travancore Sugars was started with a certain amount of Travancore capital and a certain amount of capital from outside. The total loss sustained by the company was Rs. 1,62,000 and the loss incurred by Government amounted to Rs. 1,57,000. At present the company which is running that concern declares a dividend of ten per cent. free of income-tax and Government gets a net profit of Rs. 40,000 every year apart from taxes and dues. Now I am mentioning this here for the purpose of both encouraging ourselves and of taking a lesson and a warning. There is no future for the State unless side by side with intense agriculture a continuous policy of wise industrialisation is inaugurated. Such wise industrialisation is not possible if capital is shy. It is not possible unless each man who can invest his little savings will put it into the concerns with whose working he keeps himself in touch. There is no point in a share-holder putting Rs. 10,000 in a concern and going to sleep and waking up only at the time of the declaration or non-declaration of dividend and then shouting about it. Criticism, careful supervision, business-like methods, financial rectitude—these

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are amongst the things which have to be kept in view. I see signs of a renaissance and of the growth of a new consciousness in business affairs. God grant we may take the opportunity and use it to the utmost.

I have been speaking in this house and elsewhere of the possibility of hand-loom weaving. I am not a believer in those programmes which would eradicate all the mills in the country and would enjoin every man and child of the country to concentrate on hand-spinning and hand-weaving. Nevertheless as a supplementary occupation to agriculture it is priceless. Hand-loom weaving is one of the dearest concerns of this Government; but side by side with hand-loom weaving will have to come power-loom weaving with the aid of power supplied from the Pallivasal Hydro-Electric Project. I trust that companies will come into existence for the purpose of exploiting the present opportunity.

I am also glad to be able to announce that negotiations are practically complete for the inauguration of a cement factory in the State. In the case of cement as in the case of sugar we are confronted with a well-known business phenomenon. The sugar production and marketing in South India is practically in the hands of one concern and until we came to terms with that concern it was not possible to start sugar production on a profitable basis. The Travancore Government came to terms with that concern and the industry has been put on a very safe footing. In the case of cement also, one particular concern practically controls the production all over India. It is not possible for this State to start another enterprise in competition. Therefore, Government have been negotiating with that concern so that the large sources of limestones in South Travancore and the limitless resources of shells in the Vembanad lake may be utilised for the purpose of cement production. A great cement factory will very soon come into existence. The site and many other details will be decided in the course of a week or two, and arrangements are already under way for the purpose of producing enough cement for consumption for all purposes within Travancore and Cochin. This is a matter of more than passing interest to Cochin and Travancore because our experience has taught us that rather than wasting our money on tar or wasting it on the routine maintenance of roads, sooner or later, it must be the programme and the policy of the State that all the highways in Travancore are cement concreted. With that policy in view, the Travancore Government is conducting negotiations and I hope very shortly to be able to announce the conclusions agreed to for the purpose of starting a cement factory which will also go a long way in augmenting the industrial prosperity of the State.

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[President.]

On the agricultural side there is necessity for the State to take a bird's-eye view of the position. We should not concentrate so much on paddy as we have been doing but we have to devote our attention to fruit canning, fruit preserving, cultivation of soya beans and other dry crops which are of the greatest food value and which with the exploitation of our fisheries inland and maritime may make us infinitely more self-sufficient than we have been. In order to do that what is needed is scientific agriculture. But with the present fragmentation of holdings, with the present social and property organisation and with the present partition system it is to my mind, impossible to bring about any agricultural production on a large or intensive scale. Therefore it is that I have been more than once bringing to the notice of this house and to the notice of the people of Travancore, the necessity for the reorganisation of their property laws and for the reform of the co-operative system so that there may be the basic material appurtenances like land, implements, manure and water essential in order to utilise science in aid of agriculture. I am also very glad to be able to say that in the matter of timber our policy has yielded very fine results. Uneconomic competition and underbidding are over and our timber is assured of a market in India. We have been able to do some service in the course of our war efforts in regard to timber production and timber supply. The starting of all these agricultural and industrial reforms will depend in the long run for their ultimate success upon what I venture to call the rural reconstruction, the renaissance and recreation of village life and village activities. Without those the rest will be a huge superstructure on an inadequate and insufficient foundation. Government are therefore trying to bring into existence village unions and make them the media of local beneficence, joint effort and helpfulness including medical relief and enable them to undertake such works of an ameliorative character so that they may produce the new orientation of economic life without which the future will be gloomy indeed. And all these works demand incessant and enthusiastic collaboration from officials and non-officials alike. His Highness, a Ruler of whom we are all proud, has a right to expect that co-operation and I have confidence that it will be forthcoming; and with that confidence and with a firm faith in our future I commend this Budget to your careful consideration.

The Joint Sitting terminated at 1 P.M.

A. GUNAMONY,
Secretary to the Sri Chitra State Council.

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